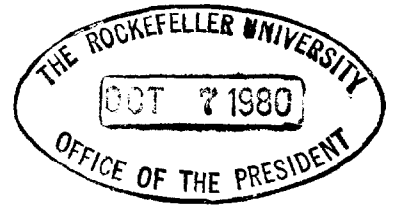


# Memorandum

THE ROCKEFELLER UNIVERSITY  
NEW YORK 10021

TO: Rodney W. Nichols  
FROM: Sydney A. Woodd-Cahusac  
SUBJECT: NSI  
DATE: October 6, 1980



Whithead Inst ↓

Your recent memo, plus verbal mention to me, give assignments to DJL and me.

Dave and I both think the model is our arrangement with the Pop Council. It is not an exact model because the Institute has no legal right to and claim on space -- rent free-- because of, basically, the contribution towards construction costs of the space to be occupied.

So we will need an arrangement which provides recompense to R.U. under three heads:

1. use of space
2. outfitting of that space
3. provision of various services, such as cleaning; and operating items, such as utilities.

Items 2. and 3. can, I should think, follow the Pop Council model.

As with the Pop Council, however, we would need to sit down with the Institute and agree on which items they wished us to provide, and which, if any, they wished to provide themselves.

All this should be checked with Counsel, chiefly to avoid "unrelated business income" problems. We found, on an I.R.S. audit just completed but not reduced to written report, that charges our laundry makes to the Animal Research Center result in unrelated business income -- which is taxable, and if substantial enough, could cause re-examination of our tax exempt status.

cc: Dr. Joshua Lederberg  
Mr. David J. Lyons  
Squire N. Bozorth, Esq.